



ARIZONA HOUSE OF REPRESENTATIVES

SB 1467: STOs; corporations; caps; scholarship eligibility

PRIME SPONSOR: Senator Yarbrough, LD 17

BILL STATUS: [Caucus & COW](#)

WM: DP 6-3-0-0

Legend:

CPI – Consumer Price Index

ESA – Empowerment Scholarship Account

GED – General Equivalency Diploma

STO – School Tuition Organization

Amendments – **BOLD** and ~~Stricken~~ (Committee)

Abstract

Relating to STO scholarship and grant eligibility.

Provisions

Corporate Donations for Low-Income Scholarships (Sec. 4)

1. Expands STO scholarship or grant eligibility criteria to include children who:
 - a. Are homeschooled or moved to this state before enrolling in a qualified school; or
 - b. Attend a qualified school for at least 90 days and receive ESA monies.
2. Increases the individual scholarship or grant cap, beginning in 2019, by the percentage of the annual increase in the Metropolitan Phoenix CPI or two percent, whichever is greater.
 - *Currently, the limit increases by \$100 each year ([A.R.S. § 43-1504](#)).*
3. Permits a STO to issue a scholarship or grant in an amount not greater than the full tuition cost, regardless of the cap, if the student's family income does not exceed the limit to qualify a child for reduced-price lunches.

Corporate Donations for Displaced or Disabled Students (Sec. 5)

4. Expands the definition of *qualified student* to include a student who attends a qualified school for at least 90 days and receives ESA monies.
5. Prohibits the amount of a scholarship or grant issued by a STO from exceeding the cost of tuition.
 - *Currently, the scholarship or grant amount may not exceed cost of tuition or 90% of the amount of state aid computed for the student, whichever is less ([A.R.S. § 43-1505](#)).*

ESA

6. Modifies the eligibility criteria for ESAs by:
 - a. Including students who have received a low-income STO scholarship; and
 - b. Removing the requirement that students previously attend public school. (Sec. 1 2)
 - *Currently, the student must have received displaced or disabled scholarship monies and attended a public school for at least 90 days of the prior FY or one full semester ([A.R.S. § 15-2401](#)).*
7. Prohibits a student from accepting a scholarship or grant from an STO concurrently with an ESA. (Sec. 4, 5)

Miscellaneous

8. Prohibits an STO from requiring an applicant or their family to provide a good or service that benefits the STO in exchange for a scholarship or grant. (Sec. 3)
9. Contains a technical conditional enactment clause. (Sec. 2)
10. Makes technical and conforming changes. (Sec. 1-5)

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☒ [Fiscal Note](#)

Current Law

A STO is established to receive contributions from taxpayers to pay for educational scholarships and grants to allow students to attend any qualified school of their parents' or custodians' choice. To be eligible for certification, a STO must meet statutorily outlined requirements ([A.R.S. § 43-1503](#)).

A STO that receives contributions from corporations must use at least 90% of the contributions to provide scholarships and grants to qualified individuals. Low-income scholarships and grants are provided to children whose family income does not exceed 185% of the limit to qualify a child for reduced-price lunches and who: 1) attended a public school as a full-time student or attended a preschool that offers services to students with disabilities for at least 90 days and transferred to a private school; 2) enrolls in a kindergarten or preschool program that offers services to students with disabilities; 3) is the dependent of a member of the U.S. Armed Forces stationed in this state; or 4) received a scholarship or grant under any of the aforementioned criteria and continue to attend a private school ([A.R.S. § 43-1504](#)).

Scholarship and grant monies may also be provided to *qualified students*, which includes students attending a qualified school who have either been placed in foster care before graduating high school or receiving a GED or are identified as having a disability. A *qualified school* includes a private school or a preschool that offers services to students with disabilities. (A.R.S. §§ [43-1501](#) and [43-1505](#)).